

MADISON PARISH CLERK OF COURT

TALLULAH, LOUISIANA

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

With

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA**

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA**

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THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Marion Hopkins
Madison Parish Clerk of Court
Madison Parish Courthouse
Tallulah, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Clerk of Court as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the Clerk's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Madison Parish Clerk of Clerk, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6, the budgetary comparison information on page 25, and the schedule of funding progress for the retiree healthcare plan on page 26 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

The other supplemental schedule listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 15, 2014, on our consideration of the Madison Parish Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison Parish Clerk of Court's internal control over financial reporting and compliance.

The Halford Firm, PLLC

December 15, 2014

REQUIRED SUPPLEMENTAL INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Madison Parish Clerk of Court's financial performance provides an overview of the Clerk's financial activities for the year ended June 30, 2014. Please review it in conjunction with the transmittal letter and Madison Parish Clerk of Court's basic financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Total net position decreased in the current year by \$48,649. In the prior year, net position decreased by \$33,009.

Program specific revenues accounted for \$451,670, or 98.58% of all revenues.

The Madison Parish Clerk of Court had \$506,803, in expenses related to governmental activities with \$451,670, in program revenues to cover the cost of those programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Clerk as a whole and present a longer-term view of the Clerk's finances. Fund financial statements start on page 9. For governmental activities, these statements tell you how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Clerk's operations in more detail than the government-wide statements by providing information about the Clerk's most significant funds.

Government-Wide Financial Statements:

The government-wide financial statements consist of two statements. These are the Statement of Net Position and Statement of Activities. The Statement of Net Position presents information on all of the Madison Parish Clerk of Court's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Madison Parish Clerk of Court is improving or deteriorating. The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These statements disclose that in the current year, the Clerk's net position decreased by \$48,649.

Fund Financial Statements:

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Madison Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Madison Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

Management's Discussion and Analysis
Page Two

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The current year Statement of Revenues, Expenditures, and Changes in Fund Balances has an \$11,289 excess of expenditures over receipts.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Madison Parish Clerk of Court's programs, fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Clerk's performance.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Clerk's liabilities exceeded assets by \$34,557. The Madison Parish Clerk of Court's net position reflects its investment in capital assets at June 30, 2014, to be zero.

Management's Discussion and Analysis
Page Three

The following table reflects a condensed statement of the Clerk's net position as of June 30, 2014, and 2013:

	Governmental-Type Activities	
	June 30, 2014	June 30, 2013
Assets		
Current & other assets	\$ 166,426	\$ 178,141
Capital assets	-	-
Total Assets	166,426	178,141
Liabilities		
Current liabilities	28,409	28,834
Long-term liabilities	172,574	135,215
Total Liabilities	200,983	164,049
Net Position		
Invested in capital assets, net	-	-
Unrestricted	(34,557)	14,092
Total Net Position	\$ (34,557)	\$ 14,092

A portion of the net position may either be restricted as to the purposes for which it can be used or invested in capital assets. Unrestricted net position decreased by \$48,649. Unrestricted net position may be used to fund the Madison Parish Clerk of Court programs in the next fiscal year.

Changes in net position. The Madison Parish Clerk of Court's total revenues were \$458,154, representing a decrease of \$7,465, or 1.60%. A significant portion, \$257,512, or 56.21% comes from court costs, fees, and charges. (See Table 2).

**Table 2 Madison Parish Clerk of Court sources of Revenue
for Fiscal Year 2014**

Court cost, fees and charges	\$ 257,512	56.21%
Fees for recording legal documents	146,717	32.02%
Other operating revenue	47,441	10.35%
Total operating revenue	451,670	98.58%
Interest income	95	0.02%
Election reimbursement	6,389	1.40%
Total revenue	\$ 458,154	100.00%

Request for Information

This financial report is designed to provide a general overview of the Madison Parish Clerk of Court's finances for all those with an interest in the Madison Parish Clerk of Court's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Madison Parish Clerk of Court, 100 North Cedar, P. O. Box 1710, Tallulah, Louisiana 71282.

BASIC FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>Governmental Activities</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 150,368
Receivables	16,058
Capital assets, net of accumulated depreciation	<u>-</u>
 Total Assets	 <u>166,426</u>
 Liabilities	
Current liabilities:	
Accounts payable	8,462
Accrued payroll and related benefits	6,059
Due to Advance Deposit Fund	13,888
Long-term Liabilities:	
OPEB payable	<u>172,574</u>
 Total Liabilities	 <u>200,983</u>
 Net Position	
Invested in capital assets	-
Unrestricted	<u>(34,557)</u>
 Total Net Position	 <u><u>\$ (34,557)</u></u>

The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Change in Net Position</u>
Government activities:			
General government	<u>\$ 506,803</u>	<u>\$451,670</u>	<u>\$ (55,133)</u>

General revenues:	
Interest and investment earnings	95
Election reimbursement	<u>6,389</u>
Total general revenues	<u>6,484</u>
Change in net position	(48,649)
Net position - Beginning	<u>14,092</u>
Net position - Ending	<u>\$ (34,557)</u>

The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund
Assets	
Cash and cash equivalents	\$ 150,368
Receivables	<u>14,851</u>
Total Assets	<u><u>165,219</u></u>
Liabilities and Fund Equity	
Liabilities:	
Accounts payable	8,462
Accrued payroll and related benefits	6,059
Due to Advance Deposit Fund	<u>13,888</u>
Total Liabilities	<u>28,409</u>
Fund Balance:	
Unassigned	<u>136,810</u>
Total Fund Balance	<u>136,810</u>
Total Liabilities and Fund Balance	<u><u>\$ 165,219</u></u>

The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances, Total governmental funds	\$ 136,810
Receivables collected more than 60 days after the current period are not recorded on the fund financial statements:	1,207
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities: OPEB payable	<u>(172,574)</u>
Net Position of Governmental Activities	<u>\$ (34,557)</u>

The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

Revenues

Licenses and permits - marriage	\$ 3,360
Intergovernmental revenues - state grants:	
Clerk's supplemental compensation	21,000
Fees, charges, and commissions for services:	
Court costs, fees, and charges	257,511
Fees for recording legal documents	146,717
Fees for certified copies of documents	21,742
Miscellaneous	1,339
Use of money and property -	
Interest income	95
Election reimbursement	6,389
Total Revenues	<u>458,153</u>

Expenditures

Current:

General government - judicial:	
Personal services and related benefits	382,994
Operating services	41,829
Materials and supplies	30,962
Travel and other charges	13,657
Total Expenditures	<u>469,442</u>

**Excess (Deficiency) of Revenues
Over Expenditures**

(11,289)

Fund Balance - Beginning of Year

148,099

Fund Balance - End of Year

\$ 136,810

The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental funds	\$ (11,289)
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Governmental funds do not report funds received more than 60 days after year end, but the Statement of Activities reports all receivables regardless of when collected. This is the net change resulting from recording all receivables on the Statement of Activities:	(1)
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The Statement of Activities recorded unfunded cost of post employment medical insurance cost (OPEB) in the current year, but will not be recorded in Governmental funds until actually paid.	<u>(37,359)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ (48,649)</u></u>
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The accompanying notes are an integral part of the financial statements.

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
STATEMENT OF AGENCY ASSETS AND LIABILITIES – FIDUCIARY FUNDS
AS OF JUNE 30, 2014**

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ 412,149
Investments	7,396
Due from General Fund	<u>13,888</u>
Total Assets	<u><u>\$ 433,433</u></u>
Liabilities	
Accounts payable	9,183
Due to litigants and other	<u>424,250</u>
Total Liabilities	<u><u>\$ 433,433</u></u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Madison Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the significant accounting policies are discussed in subsequent subscriptions of this note.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the industry audit guide, *Audits of State and Local Governments*.

A. FINANCIAL REPORTING ENTITY

As provided by Article V Section 28 of the Louisiana Constitution of 1974, the Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is responsible for the operations of her office, which include the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Clerk's office that are paid or provided by the parish government as required by Louisiana law, the Clerk of Court is financially independent. In addition, at the expiration of the Clerk of Court's term of office, the Clerk is required to remit to the parish government any balance in the Clerk's General (Salary) Fund that exceeds one-half of the revenues of last year of the term in office.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the Clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Clerk of Court's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues included (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. BASIS OF PRESENTATION - continued

Fund Financial Statements (FFS)

The accounts of the Clerk of Court are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Clerk of Court are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Clerk of Court is described below:

Governmental Fund – General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Clerk of Court and is used to account for the operations of the Clerk's office. The various fees and charges due to the Clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds - Agency Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

Advance Deposit Fund - accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement. The accounting objectives of this measurement focus are the determination of operating income, and changes in net position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported.

In the fund financial statements, the government fund utilizes the current financial resources measurement focus. Only current financial assets and liabilities are generally included in its balance sheet. The operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statements of Activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurements focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

D. BUDGET AND BUDGETARY ACCOUNTING

The Clerk of Court follows these procedures in establishing the budgetary data reflected in the financial statements.

1. A proposed budget is prepared by the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

D. BUDGET AND BUDGETARY ACCOUNTING - continued

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of the fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

E. CASH AND INTEREST-BEARING DEPOSITS

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts and certificates of deposits of the Clerk of Court.

The Clerk has established the policy of including all short-term, highly liquid investments with maturities of 90 or fewer days in cash and cash equivalents. Under state law, the Clerk may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$1,000, or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the Clerk, no salvage value is taken into consideration for depreciation purposes. Depreciation is provided over the estimated useful lives of each class of depreciable assets and is computed on the straight-line method. The range of estimated useful lives for furniture, fixtures, and equipment is 5-10 years.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. FUND EQUITY

Beginning with fiscal year 2011, the Clerk implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

Committed Fund Balance - amounts constrained to specific purposes by the Clerk itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Clerk takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Clerk intends to use for a specific purpose. Intent is expressed by the Clerk of Court.

Unassigned Fund Balance - amounts that are available for any purpose. These amounts are reported only in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Clerk considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Clerk considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Clerk has provided otherwise in his commitment or assignment actions.

I. LONG-TERM DEBT

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The Clerk has one long-term debt at June 30, 2014. This was the OPEB payable.

NOTE 2 – CASH AND CASH EQUIVALENT

Under state law, the Clerk may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Clerk may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 2 – CASH AND CASH EQUIVALENT - continued

At June 30, 2014, the Clerk has cash and cash equivalents (book balances) totaling \$562,517, of which \$412,149, is attributable to fiduciary funds, and is not presented in the Statement of Net Position.

Demand deposits	\$ 488,784
LAMP	<u>73,733</u>
Total	<u>\$ 562,517</u>

These deposits are stated at cost, which approximates market. Under state law these deposits, or the resulting bank balances, must be fully secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount of deposit with the fiscal agent bank. The securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2014, are secured by federal deposit insurance in the amount of \$510,682, and by pledged securities in the amount of \$67,699.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. In accordance with LSA -R.S.33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP'S investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S.33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-1/P-1) commercial paper of domestic United States corporations". Effective October 1, 2001, LAMP'S investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 3 – INVESTMENTS

At June 30, 2014, the Clerk had one investment held by the Advance Deposit fund. This investment was a certificate of deposit in the amount of \$7,396, at Capital One Bank.

NOTE 4 – COMPENSATED ABSENCES

After one year of service, all employees of the Clerk of Court's office earn from 5 to 10 days of vacation leave each year, depending on length of service. Vacation leave cannot be accumulated and carried forward to succeeding years. Sick leave is granted on a case-by-case basis, at the discretion of the Clerk.

NOTE 5 – RISK MANAGEMENT

The Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the Clerk maintains commercial insurance policies covering automobile liability, medical payments, uninsured motorist, and collision, workers compensation and surety bond coverage for all employees. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. In addition to the above policies, the Clerk also maintains an errors and omissions claim policy with the Louisiana Clerks of Court Risk Management Agency. No claims have been filed on the policy during the past three years nor is the Clerk aware of any unfiled claims.

NOTE 6 – RECEIVABLES

The Clerk's receivables at June 30, 2014 are as follows:

Class of receivable

	Governmental Funds	Government- Wide
Fees, charges, and commissions for services:		
Clerk's fees	\$ 3,220	\$ 3,220
Criminal fees	2,117	2,117
Non-support fees	1,089	1,089
Court attendance	1,688	1,688
Advance Deposit Fund	9,184	9,184
Total	17,298	17,298
Less allowance for doubtful account	(2,447)	(1,240)
Net	<u>\$ 14,851</u>	<u>\$ 16,058</u>

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 7 - CHANGES IN CAPITAL ASSETS

The following schedule presents changes in capital assets for the year ended June 30, 2014:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets being depreciated:				
Office furniture and equipment	\$ 112,081	\$ -	\$ -	\$ 112,081
Total capital assets being depreciated	<u>112,081</u>	<u>-</u>	<u>-</u>	<u>112,081</u>
Less:				
Accumulated depreciation	<u>(112,081)</u>	<u>-</u>	<u>-</u>	<u>(112,081)</u>
Total capital assets being depreciated, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 - PENSION PLAN

Substantially all employees are members of the Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined pension plan, Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions retire at or after age 55 and receive the benefits accrued to their date of termination. The System provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Clerk of Court Retirement & Relief Fund, 11745 Bricksome Avenue, Suite B2, Baton Rouge, Louisiana, 70816, or by calling (225) 293-1162.

Funding Policy. Plan members are required by state statute to contribute 8.25% of their annual salary and the Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 7.25% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the tax rolls of each parish. The contribution requirements of plan members and the Clerk are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Madison Parish Clerk of Court's contributions to the System for the years ending June 30, 2014 and 2013 were \$61,919 and \$57,547, respectively.

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 9 – DEFERRED COMPENSATION PLAN

Certain employees of the Madison Parish Clerk of Court participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Clerk's defined benefit postemployment health care plan ("The Retiree Health Plan") provides medical, dental, vision, and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postemployment healthcare plan administered by the Louisiana Clerks of Court Clerk.

Funding Policy. The contribution requirements of plan members and the Clerk are established and may be amended by the LCCIT board of trustees. The Clerk pays for the entire premium charge by the LCCA for retirees and their dependents. Retirees are not required to contribute. For fiscal year 2014, the Clerk contributed \$13,153 to the plan and the retirees contributed \$0.

Annual OPEB Cost and Net OPEB Obligation. For 2014, the Clerk's annual other post-employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 52,884
Interest on Net OPEB Obligation	4,732
Adjustment to Annual Required Contribution	(7,104)
Annual OPEB Cost (Expense)	50,512
Contributions Made	(13,153)
Increase in Net OPEB Obligation	37,359
Net OPEB Obligation - beginning of year	135,215
Net OPEB Obligation - end of year	<u>\$ 172,574</u>

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 40,454	21.8%	\$ 96,726
6/30/2013	\$ 51,188	24.8%	\$ 135,215
6/30/2014	\$ 50,513	26.0%	\$ 172,574

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – continued

Funded Status and Funding Progress. As of June 30, 2014, the actuarial accrued liability for benefit was \$515,292, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was TBD, and the ratio of the unfunded actuarial accrued liability to the covered payroll was TBD.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the unit credit cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 3.5% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5.5% after 15 years. The Clerk's unfunded actuarial liability is being amortized on a level dollar, open basis over 30 years.

NOTE 11 – CHANGES IN AGENCY FUND BALANCE

A summary of changes in agency fund balances due to others follows:

	Agency Deposit	Registry of Court	Total
Balance at July 1, 2013	\$ 113,110	\$ 372,086	\$ 485,196
Additions	228,258	3,391	231,649
Deletions	(223,675)	(68,920)	(292,595)
Balance at June 30, 2014	<u>\$ 117,693</u>	<u>\$ 306,557</u>	<u>\$ 424,250</u>

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**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014 – continued**

NOTE 12 – FIDUCIARY FUND TYPE – AGENCY FUNDS

Advance Deposit Fund

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, is used to account for advance deposits on suits filed against litigants. The advances are refundable to the litigants after all costs have been paid.

Registry of Court Fund

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NOTE 13 – EXPENDITURES OF THE CLERK OF COURT PAID BY THE POLICE JURY

The Madison Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Madison Parish Police Jury.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events were evaluated through December 15, 2014, which is the date the financial statements were available to be issued. As of December 15, 2014, there were no subsequent events noted.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	BUDGET ORIGINAL	ACTUAL (BUDGETARY) BASIS	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
License and permits - marriage	\$ 3,500	\$ 3,360	\$ (140)
Intergovernmental revenues-state grants- Clerk's supplemental compensation	21,000	21,000	-
Fees, charges, and commissions for services:			
Court costs, fees, and charges	264,000	257,511	(6,489)
Fees for recording legal documents	169,000	146,717	(22,283)
Fees for certified copies of documents	19,000	21,742	2,742
Miscellaneous	-	1,339	1,339
Use of money and property - interest earnings	85	95	10
Election reimbursements	1,500	6,389	4,889
Total revenues	<u>478,085</u>	<u>458,153</u>	<u>(19,932)</u>
EXPENDITURES			
Current:			
General governmental - judicial			
Personal services and related benefits	402,876	382,994	19,882
Operating services	42,500	41,829	671
Materials and supplies	12,000	30,962	(18,962)
Travel and other charges	16,750	13,657	3,093
Total expenditures	<u>474,126</u>	<u>469,442</u>	<u>4,684</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,959	(11,289)	(15,248)
FUND BALANCE, beginning of year	<u>148,099</u>	<u>148,099</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 152,058</u>	<u>\$ 136,810</u>	<u>\$ (15,248)</u>

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF FUNDING PROGRESS FOR EMPLOYEE HEALTH CARE PLAN
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Actual Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UALL as a Percentage of Covered Payroll</u>
6/30/2009	\$ -	\$ 459,545	\$ 459,545	0.0%	\$ 218,380	210.4%
6/30/2012	\$ -	\$ 515,292	\$ 515,292	0.0%	TBD	TBD

OTHER SUPPLEMENTARY SCHEDULES
PART III

**MADISON PARISH CLERK OF COURT
TALLAH, LOUISIANA
FIDUCIARY FUND TYPE – AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014**

	<u>ADVANCE DEPOSIT FUND</u>	<u>REGISTRY OF COURT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and equivalents	\$ 105,592	\$ 306,557	\$412,149
Investments	7,396	-	7,396
Due from General Fund	13,888	-	13,888
TOTAL ASSETS	<u>\$ 126,876</u>	<u>\$ 306,557</u>	<u>\$433,433</u>
LIABILITIES			
Accounts payable	\$ 9,183	\$ -	\$ 9,183
Unsettled deposits	117,693	306,557	424,250
TOTAL LIABILITIES	<u>\$ 126,876</u>	<u>\$ 306,557</u>	<u>\$433,433</u>

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF CHANGES IN FIDUCIARY UNSETTLED DEPOSITS
FOR THE YEAR ENDED JUNE 30, 2014**

	Advance Deposit Fund	Registry Of Court Fund	Total
Additions:			
Deposits:			
Suits and successions	\$ 228,258	\$ 2,937	\$ 231,195
Interest earnings of investments	-	454	454
Total additions	<u>228,258</u>	<u>3,391</u>	<u>231,649</u>
Reductions:			
Payments by order of the court	-	68,865	68,865
Clerk's costs	102,174	-	102,174
Settlements to litigants	86,096	-	86,096
Sheriff's fees	12,813	-	12,813
Other reductions	22,592	55	22,647
Total reductions	<u>223,675</u>	<u>68,920</u>	<u>292,595</u>
Change in Unsettled Deposits	4,583	(65,529)	(60,946)
Unsettled Deposits - Beginning	<u>113,110</u>	<u>372,086</u>	<u>485,196</u>
Unsettled Deposits - Ending	<u><u>\$ 117,693</u></u>	<u><u>\$306,557</u></u>	<u><u>\$ 424,250</u></u>

**COMPLIANCE REPORTING AND OTHER
SCHEDULES REQUIRED BY GOVERNMENTAL AUDITING STANDARDS**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Marion Hopkins
Madison Parish Clerk of Court
Madison Parish Courthouse
Tallulah, LA 71254

We have audited the financial statements of the Madison Parish Clerk of Court, as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison Parish Clerk of Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Court's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of the findings and questioned costs as items 14-01 and 14-02. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Madison Parish Clerk of Court
Tallulah, Louisiana
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Madison Parish Clerk of Court's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Clerk of Court, management, others within the organization, and applicable State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

December 15, 2014

**MADISON PARISH CLERK OF COURT, TALLULAH, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Madison Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.
3. Two significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

14-01 – Preparation of Annual Financial Statements

The Clerk's personnel do not have the capability to prepare annual financial statements, including footnote disclosures, in accordance with generally accepted accounting principles and do not have the skills and competencies necessary to prevent, detect, and correct a material misstatement.

Recommendation:

An adequately designed system of internal control over financial reporting includes controls over preparation of the annual financial statements, including footnote disclosures. Such internal controls should require that the annual financial statements be prepared by personnel capable of preparing the financial statements in accordance with generally accepted accounting principles. In addition, such personnel should have the skills and competencies to prevent, detect, and correct a material misstatement in the financial statements. The Clerk's personnel with direct responsibility over financial reporting should receive training in the preparing of financial statements, including note disclosures. The training should be sufficient to provide such personnel with the skills and competencies necessary to prevent, detect, and correct a material misstatement. Alternatively, the Clerk could hire a qualified CPA to prepare their financial statements for them.

Response: The Clerk has evaluated the cost vs. the benefit of establishing internal controls over the preparation of the annual financial statements and determined that it is in the best interests of the Clerk to carefully review the monthly financial statements and accept responsibility for their contents. The cost of additional training and/or hiring another CPA firm to prepare the annual financial statement is not feasible to the Clerk.

14-02 – Segregation of Duties

During our audit we noted that the size of the Clerk and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Recommendation:

To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Response: Based on the size of the office staff, it is not feasible to add additional personnel to achieve complete segregation of duties

**MADISON PARISH CLERK OF COURT
TALLULAH, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I. Internal Control and Compliance Material to the Financial Statements

No findings in the prior year.

Section II. Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III. Management Letter

No Management letter was issued in the prior year.